

**REMARKS/ARGUMENTS**

Claims 1-13 are pending. Claims 1-7 have been amended. New claims 8-13 have been added.

Claim 1 was objected to for informalities. Claim 1 has been amended.

Claims 1-7 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Lucero in view of Fredregill et al. Applicants respectfully traverse the rejection. Claim 1 is directed to a method of exchanging points issued two different companies.

In the claimed embodiment, the method enables integration of many kinds of "points". For example, a user may exchange his points from one card company for points of another card company in order to have enough points to receive a certain gift from that other company. When the points are exchanged to another kind of points or cash, an exchange rate is needed to convert in the claimed embodiment since the companies may different point systems.

The claim embodiment uses a point exchange site/server that communicates with servers of the companies (see Fig. 1). The point exchange site sends a point exchange request to a first company. The request specifies the amount of points to be exchanged and commission (step 42 of Fig. 4). The first company's server compares the point balance of the user to determine whether or not the request may be validated. Once validated, the point exchange server uses an exchange rate to convert the points of first type to the points of second type.

Lucero relates to a gaming machine system operable with charge cards. The gaming machine may be used by charging the fee to a credit card (see Abstract). This is done by inserting the credit card into the gaming machine. Lucero also states that the gaming machine may be used by charging the fee to frequent flying miles (col. 13, lines 21-24). The fee payment is calculated within the gaming machine.

Therefore, Lucero does not disclose nor suggest the use of a point exchange server, e.g., "receiving a request for point exchange from a customer at the point exchange server, the request relating to exchanging points of first type issued by the first company to points of second type issued by the second company, the first card being associated with the first company and the second card being associated with the second company..."

Fredregill is directed to in-store points redemption system. It discloses a method of transferring points accrued for one account to another account (col. 3, lines 29-32 and col. 7, line 67 to col. 8, line 2). Fredregill accordingly does not disclose use of the point exchange server and the concept of exchanging the points of first type to the points of second type using the point exchange server.

In addition, neither reference discloses, "notifying the point exchange request to servers of first and second card issuing companies" or "converting the points of first type to the points of second type according to an exchange rate between the first and second cards." Therefore, claim 1 is allowable.

Claim 4 recites, "a server of a point exchange site and; a server of a first card company connected to said server of the point exchange site via a network, wherein said server of said point exchange site comprises: means for receiving a request for a point exchange via a member terminal from a customer; means for notifying the point exchange request to first and second card issuing companies and for receiving approval for the request from at least said first card issuing company; means for calculating a points of said first card company from points of said second company according to a given exchange rate and approving the point exchange rate, wherein said server of said first card company comprises: means for comparing points requested to be exchanged plus commission points with a point balance of the customer; and means for notifying a rejection of the point exchange request to said server of said point exchange site if said points requested to be exchanged plus said commission points exceed said point balance and notifying an approval of the point exchange request to said server of said point exchange site if said points requested to be exchanged plus said commission points are equal or less than the point balance." Neither Lucero nor Fredregill discloses the above recited features. Claim 4 is allowable.

Claim 6 recites, "a processing program for receiving a request for a point exchange from a customer, the request relating to exchanging a given amount of points of first type issued by a first company to a given amount of points of second type issued by a second company; a processing program for notifying the point exchange request to the first and second companies and receiving approval for the request from at least the first company; a processing

program for comparing points requested to be exchanged plus commission points with a point balance of the customer and rejecting the point exchange request if the points requested to be exchanged plus commission points exceed the point balance; and a processing program for converting the first given amount of points of first type to the second given amount of the points of second type according to a given exchange rate for the points of first and second types."

Neither Lucero nor Fredegill discloses the above recited features. Claim 6 is allowable.

Claim 7 recites, "receiving a request for a point exchange from a customer, the request relating to exchanging a first amount of points of first type issued by a first company to points of second type issued by a second company; notifying the point exchange request to the first and second companies and for receiving approval for the request from the first and second companies; and calculating a second amount of the points of second type based on the first amount of the points of first type and an exchange rate between an exchange partner card and own card and for approving the point exchange." Neither Lucero nor Fredegill discloses the above recited features. Claim 7 is allowable.

### CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,



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